CONCORDIA UNIVERSITY

BOARD OF GOVERNORS

CONCORDIA BENEFITS COMMITTEE

Meeting of Thursday
May 20, 1976

Attendance: Mr. E. Lemieux; Mr. H. Hemens; Mr. A. Duff; Prof. J.C. Turgeon; Prof. A. Dickie; Prof. B. Barbieri; Mr. F. Villemaire; Mr. R. Martin; Dr. J. Smola; Prof. G. Martin; Mr. C. Waters; Messrs. R. Laberge and R. Brochu of William M. Mercer Ltd.

Mr. E. Lemieux acted as chairman in the absence of Mr. Tait.

Minutes of May 12th 1976

It was agreed that the following modifications be made to the minutes of May 12th 1976.

a) The second sentence of the first paragraph under the heading "Life Insurance" should read: "These benefits were essentially the same as those proposed under Alternative I at the last meeting."

b) The first sentence of the first paragraph under the heading "Disability Insurance" should read: "Mercers proposed that short term sick-leave should be three months at full pay regardless of length of service."

Adoption of the minutes of May 12th 1976 with the above modifications was proposed by Mr. Duff, seconded by Prof. Barbieri and unanimously carried.

William M. Mercer's proposed program

Mr. Brochu circulated a "Brief Description of Proposed Program" to the Committee members.

Life Insurance

As a result of discussions at the last meeting in regard to excessive amounts of life insurance, Mercers modified the proposal. The proposal now states that participants must choose between Voluntary Survivor Income Insurance and Optional Group Life Insurance. Inder the previous proposal, the two benefits could be stacked.

It was agreed that those members of the Sir George program covered in excess of three times earnings would not be deprived if they chose the optional two times annual salary life insurance option. The University would pay the full

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premium for the life insurance in excess of three times earnings. Those Sir George participants opting for the Basic Plan only of one times annual earnings, would not be provided this additional insurance.

For those Sir George Williams participants opting for the Survivor Income option, no additional amount will be necessary as the amount of insurance provided by SIB plus the basic will exceed four times earnings in ony case.

The subject of Mercer's proposed cost-sharing formula was discussed. Under the proposal the participant would pay a flat percentage of salary or a flat rate per 1,000. Such an arrangement would mean that any increase in premium rates would have to be borne in entirety by the University.

It was agreed that the participants should pay a percentage of the premium rate at any given time meaning that any increases or decreases in rates would be shared by both participants and the University. As the rates would not be calculated until enrollment was complete, the Committee decided that the contribution rates proposed by the actuaries be the ones used for the first year with the understanding that in the second and future years, increases in premium rates would be shared on a pro-rata basis between the University and the participants.

Retirement Life Insurance

The fact that participants of the Sir George program retiring in the next few years would lose some retirement life insurance was again raised. Mr. Brochu pointed out that two approaches could be taken:

1) A grandfather clause allowing all those Sir George Williams participants over a certain age and opting for the additional optional insurance to retain the 1.35 diminishing to .75 retirement life. An age of 50 or 55 was suggested.

2) A grandfather clause reducing the penalty by 1/3 if they chose a survivor pension paying one half to the spouse in the event of death.

It was explained that both approaches would result in about the same cost factor. The Committee favoured the 1st approach with an age of 55 years.

Pension

Some discussion was held as to whether the non-contributory plan should be made compulsory. For those whose careers at Concordia would be very short, it was generally agreed that the opportunity to contribute more than $2,500 to a Registered Retirement Savings Plan during employment could well be more advantageous.

It was agreed that all current participants would be enrolled in the plan immediately but that new staff would be able to opt out of the non-contributory plan for three years if they so wished.

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Other Business

Mr. R. Martin mentioned that there was some interest expressed by permanent part-time staff to participate in the benefit program. This would involve their participation in the insurance aspects of the plan rather than the pension aspect. It was agreed that Mercers would look into this aspect.

Presentation to the Board

It was agreed that Mercers would prepare a proposal in final form for presentation to the Board. It was decided that while no formal meeting of the Committee would be held before the Board meeting, the presentation would be shown to sub-groups of the Committee before being presented.

By presenting the proposal in June, it would allow time to communicate the proposed benefits to participants over the summer and to receive reactions to it.

Indexation of Pension Benefits

Mr. Brochu informed the Committee that indexing with a 3% limit would increase required contributions by 20% to 25%; unlimited indexing could increase required contributions by 40% to 45%.

Next meeting

Mr. R. Martin pointed out that the mandate of the Committee called for some additional tasks such as supervision of the implementation of the new program and recommending the structure of a permanent committee. It was agreed that the Committee had indeed some considerable work ahead of it. It was decided that the next meeting would be held at the call of the Chair.

The meeting adjourned at 2:45 on a motion from Mr. R. Martin.

G. Martin - Secretary

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